

**DOCKETED**

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*Comment Received From: Phong Tran  
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## **I am writing to express my strong opposition to the proposed HVACR**

I am writing to express my strong opposition to the proposed HVACR and water heater sales registry (Docket 22-HERS-01). As a contractor based in San Jose, California, with 1 employee, I am deeply concerned that this proposal will create an unnecessary, burdensome layer of bureaucracy that will negatively impact small businesses, increase costs for consumers, and fail to achieve the goal of higher permit compliance.

While I understand the desire to monitor equipment sales, the current proposal shifts the burden of policing permit compliance from local building departments onto the very contractors and distributors who are working to keep our communities running.

**Increased Administrative Burden and Costs** For a small business like mine, staff time is our most valuable resource. We are already stretched thin dealing with supply chain issues and managing technical field work. This proposal would require my staff to track and register every unit sold, creating significant administrative overhead. This additional paperwork requires dedicated staff time, which could be better spent serving customers or supporting technicians. These increased operational costs will ultimately have to be passed on to homeowners, raising the price of energy-efficient appliances at a time when we should be trying to make them more accessible.

### **Confidentiality Concerns**

The proposal asks for detailed data regarding product sales. As a contractor, our customer lists, purchasing volumes, and specific brand preferences are proprietary, confidential business information. Requiring this information to be uploaded to a state database poses a risk to trade secrets. The potential for this data to be misused or accidentally released, exposing our business strategies to competitors, is a major concern.

### **Burden on Small Businesses**

Small, local, and minority-owned contractors are the backbone of California's HVAC industry. Unlike larger, corporate competitors, we do not have dedicated compliance departments to handle complex new reporting regulations. Policies like this, though intended to affect the whole industry, disproportionately punish small businesses that lack the overhead to manage increased data tracking.

**Why the Registry Won't Fix Permit Compliance** The core goal of this proposal—increasing permit compliance—will not be met by a sales registry. Permits are issued at the local level by city and county building departments. A, state-level registry of sales does not guarantee that the installer has pulled the necessary, localized permit. Often, the failure to obtain a permit occurs due to administrative gaps

in local processes or a lack of homeowner awareness, neither of which is solved by tracking a sale at the wholesale level. This, in fact, adds a "disconnect" in the data chain rather than bridging it. The proposal focuses on tracking, not compliance, and places the burden on those who already comply.

#### Conclusion

The proposed sales registry is overly bureaucratic, introduces significant privacy risks, and places an unfair burden on small businesses without solving the underlying issues of permit enforcement. I respectfully ask that the CEC abandon this proposal and work directly with local municipalities to address permit compliance in a constructive way that does not cripple small businesses.

Thank you for your time and consideration.

Sincerely

Phong Tran  
Owner  
Phong Hang Construction  
San Jose, CA